

The Old Poor Law (1795-1834). An early minimum income guarantee? Origins, systematics and effects

Abstract

200 years ago, Britain had a form of basic income embedded in the Old Poor Law. Allowance scales and make-work schemes, linked to the price of bread, family size and wage levels, ensured survival in hard times. At the same time, the poor relief system helped the large farmers to have enough labour during the sowing and harvesting seasons, and to limit labour migration to the new factories. How the system came about, how it worked, why it was abolished after 40 years and what we can learn from it today is the subject of this text.

Political interests, public opinion and the report of the Royal Commission of 1834 all contributed to the abolition of the Bread Scale, with a host of prejudices against the poor playing a role. Relief to the poor, it was argued, was costly and tended to increase poverty rather than prevent it. Left-wing critics of market liberalism also followed this interpretation. Recent research has refuted this biased view. The bread ration was far from the disaster it was long thought to be. It succeeded in alleviating hunger and deprivation through family allowances and, more importantly, did not trigger the social revolution feared by the ruling elite in the British Isles. This text brings together and discusses interesting facts about its history, impact and prospects. Parallels are drawn between the rhetoric and strategies used to abolish the old Poor Law and more recent welfare and labour market reforms.

JEL Codes: N0, N33, O10, O35

Keywords: Poor Law, Speenhamland-System, basic income, economic development

1. Introduction

The newly elected German government in 2021 is planning a reform of the existing basic income support (Hartz IV). The envisaged ‘Bürgergeld’ is supposed to create relief for those entitled to it and correct misguided incentives. Is the envisaged guaranteed income the first step towards an unconditional basic income? A historical review is worthwhile.

The history of basic income begins 200 years ago. Under the name Speenhamland system, a minimum income existed in Great Britain for 40 years as part of the old Poor Law. It exerted a special fascination, was invoked and denounced, idealised and satirised. The present text is intended to contribute to the objectification of the academic debate. Recent historical research has been able to refute supposed negative effects of the old poor law. Rather, the reverse is true: Britain's global economic advantage in the Industrial Revolution was based on its relatively high wages and its novel outdoor relief.

First, I provide an overview of the structure and function of poor relief in the most active phase of British industrialisation. This is followed by an examination of the main objections to the old poor law and to the Speenhamland system in particular: morality, labour supply and affordability. The main aim of this paper is to identify differences and similarities between the British Poor Law of 1795-

1834 and the Basic Income discussed today. An outlook on basic income needs a look back at its roots.

2. Poor relief and the old Poor Law

Earlier than other countries, England had a national poor law with the Elizabethan Poor Law of 1597 and 1601, thus pioneering the European welfare state (Webb/Webb 1963). Each parish had to levy a poor-law tax, care for the domestic poor (beggars, invalids, maimed and traumatised war returnees) and ward off vagrant paupers (Somers/Block 2005: 266). Thomas Gilbert (1720-98) unsuccessfully introduced several Poor Laws in the House of Commons after 1765 (Joanna Innes, in: Daunton 2005: 121). As food became more expensive in the 1780s, unemployment increased and wages lagged behind price increases, pressure for reform grew, especially as local bread price riots increased. The alternative was to introduce minimum wages or minimum incomes. In 1782, Parliament opted for Gilbert's Act (modified in 1786), a British Poor Law that regulated cooperation in poorhouses and workhouses at the district level. Samuel Whitbread (1764-1815) failed to find a majority for his Minimum Wage Bill 1795.¹ The magistrates were supposed to improve the impotent poor's assistance in the case of poverty through no fault of their own, to continue to be responsible for poor relief and to organise inter-communal cooperation for this purpose. William Pitt the Younger (1759-1806), with interruptions prime minister for almost 19 years, failed with the counter-proposal of a nationwide support model (Blaug 1963: 151; Clément 1999: 50; Eden 1797: 582). The year 1795 marks an upheaval in the history of the old Poor Law: three ideal types of outdoor relief for the able-bodied poor are described below, which, however, never occurred in pure form. Some of the aid was also granted in the form of 'flour aid'.²

Speenhamland-System, Roundsman-System and Labour Rate

The first model was the Speenhamland system.³ The subsidy system of the bread scale was about three times the price of a 4 kg loaf (Hobsbawm/Rudé 1969: 47; Polanyi 2001: 104). The Speenhamland scale was introduced relatively early in the bread price crisis, reached its heyday during the war with revolutionary France, and gained prominence when Frederick Eden observed and reported a sharp rise in grain prices in 1797 as a result of crop failure, middlemen's greed

¹ The weekly wage should be 3s. per man when the loaf of bread was 1s. and should be adjusted accordingly (Newnham 1815: 20).

² The Elizabethan Poor Law (1601) distinguished between outdoor relief for the able-bodied poor and in-door relief for those unable to work (Osterhammel 2020: 301).

³ Meetings on the problem of poverty were held throughout the country (e.g. Oxford Quarter Session on 13 January 1795). "Its fame lies in the fact that the Berkshire 'bread scale' was published and became relatively well known." (Poynter 1969: 77; Huzel, 1989: 775, quoted after: Patriquin 2007: 118). The eighteen Berkshire justices of the peace (magistrates) met on 6 May 1795 at the Pelican Inn in the parish of Speen, northwest of Newbury between the rivers Kennet and Lambourn, and adopted the Berkshire bread scale (Speenhamland system).

and hoarding.⁴ Since 1601, the honorary poor relief officers had been allowed to decide for themselves on the use of the poor relief tax and the eligibility of the needy (Sokoll 1988: 16-7). What was new was that the able-bodied poor were entitled to assistance, regardless of whether they had a job, were unemployed or underemployed. Presumably, agricultural workers and their families were the main recipients of the graduated allowances.

Roundsman system was the name of the second type of support. Labourers were passed around, lent or auctioned off for field work or as household help (Report 1834: 31-3). It can be assumed that the municipality set a basic wage and added the difference to the price of bread if the wage fell below the subsistence minimum (Report 1834: 35). However, it is uncertain whether this procedure was carried out as described in the report.⁵ The work activity was acknowledged on the entitlement certificate (*ticket*) (Aschrott 1886: 43). The employment of the Roundsmen was subsidised from the poor tax. It is reported that occasionally more workers were hired than were actually needed (Report 1834: 26; 42).

Info-Box: Forms of poor relief under Elizabethan poor law

- After 1760 and in the crisis years 1795/96, 1800/01 and 1809-12, regional forms of poor relief developed.
 - The payment of support money to the 'able-bodied'.
 - *Roundsman system*. Under this system, the able-bodied poor were auctioned off or passed around by farms in the village.
 - *Labour rate*, i.e. the obligation of taxpayers to employ able-bodied poor according to the amount of their tax, whereby employers (= taxpaying farmers) paid either poor relief or wages and offset both.
-

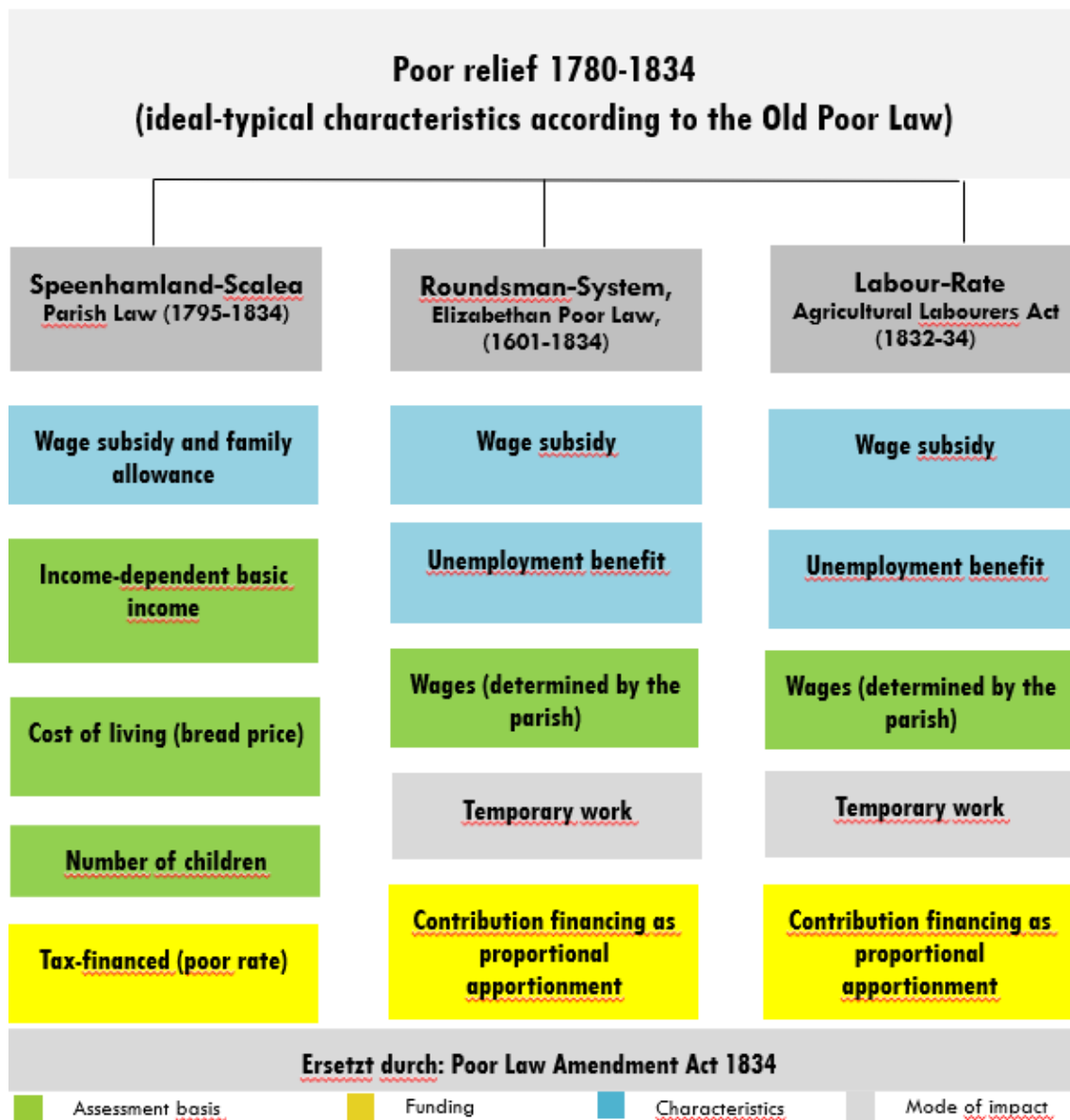
The *labour rate* was the third basic type of support practice, common especially between 1832 and 1834 in one fifth of English municipalities. However, the exact distribution is unclear and the form is hardly distinguishable from the Roundman system. What is important is that these three practices are ideal types that were mixed in reality. The 'Speenhamland system' did not exist in contemporary source language, but this form of poor relief was called allowance system or (more commonly) simply allowances-in-aid-of-wages. Speenhamland is a cipher from later times and corresponds to modern research terminology. If wages fell below a certain rate, the balance was to be topped up by the municipality's poor relief. Unlike the Speenhamland system, the wage subsidy was independent of family size. In principle, taxpayers either employed the unemployed themselves or paid a levy to the poor relief fund. The Roundsman system and Labour Rate were both a poor-

⁴ The *Reading Memory* of 20 April and 11 May 1795 is the first to report on the Speenhamland meeting (Hammond/Hammond 1911, 158-60; Webb/Webb 1963: 177-9; Eden 1797: 576-8. Quoted from Poynter 1969: 77).

⁵ "Report" stands for *Royal Commission Report of 1834*.

rate apportionment that could be offset against tax payments and could lead to tax refunds, providing opportunities for abuse. The figure highlights differences and similarities between the different types of aid.

Figure 1: Variations of the poor relief under the old Poor Law



Source: Own research

The programmes differed regionally, in terms of the amount and number of beneficiaries, and in terms of the duration of support. The three types of support practices described can be understood as a response to subsistence crises, but also as a reaction to seasonal fluctuations in the demand for labour in the countryside (Sokoll 1988: 35-40). In practice, the support systems could not be clearly distinguished from each other, as the poor relief workers sometimes chose one option,

combined several with each other or even resorted to completely different measures. The ideal-typical representation serves analytical purposes and appears important because the Poor Law Report of 1834 focused on it and research has followed it (also in the criticism since Blaug 1963; 1964).

The Speenhamland system had its heyday during the Napoleonic Wars, the Roundsman system after 1815 and the Labour Rate did not play a role until the early 1830s. The latter two types were similar. For a family man, the incentive to work was that he earned more than a single man for the same work. Farmers preferred to hire *roundsmen* instead of regular workers because the municipality supplemented their low wages. Take-up was modest - only one-fifth of the total population of 12 million applied for poor relief. Of these, only 20% were "able-bodied", 50% were children under 5 and 9% to 20% were sick, old or infirm. After several reforms, the Speenhamland scale in the 1830s resembled a family allowance or child benefit (Neuman 1982: 160-2; Sokoll 1988: 56).⁶ The forms of poor relief described were largely discontinued by the Poor Law Amendment Act 1834.

3. Living conditions in the Speenhamland era

By today's standards, British workers were poor, but 200 years ago they earned relatively well by international standards. In the "standard-of-living debate", two directions emerged as to how living conditions might have changed in the Industrial Revolution. The pessimists pointed to poverty risk factors and changing living and working conditions. Bread grain became the main source of food in the 17th/18th centuries. On the one hand, this meant confronting new living and production conditions (and thus their supply chains). After the parliamentary enclosures, many of the agricultural labourer families lost their livelihoods (e.g. the ability to use the commons) (Flinn 1975: 57). This diminished food diversity based on self-sufficiency, reduced buffer capacity in crisis situations and led to increased dependence on alternative sources of income such as public welfare, in addition to increasing alienation. The statement that eighteenth-century Britain was a high-income country refers to the largest cities (especially London) (Allen 2009: 37-9; 44-5). There, the quality and quantity of food available was relatively high (despite some examples to the contrary), so that many people could afford goods that were above subsistence level. In Scotland, by contrast, food often consisted of low-quality cereals and pulses, providing just enough calories and protein to ensure bare survival (meat, like cooking fats, was rare).

Seen from the perspective of nominal wages, agricultural wages were sometimes below the physiological subsistence minimum. Between 1760 and 1850, men earned an average of 10s. a week, women 5-7s. and children 2-4s. a week. The figures vary considerably according to industry, occupation and the benevolence of the factory owners. Sharp falls in wages during long periods of weak

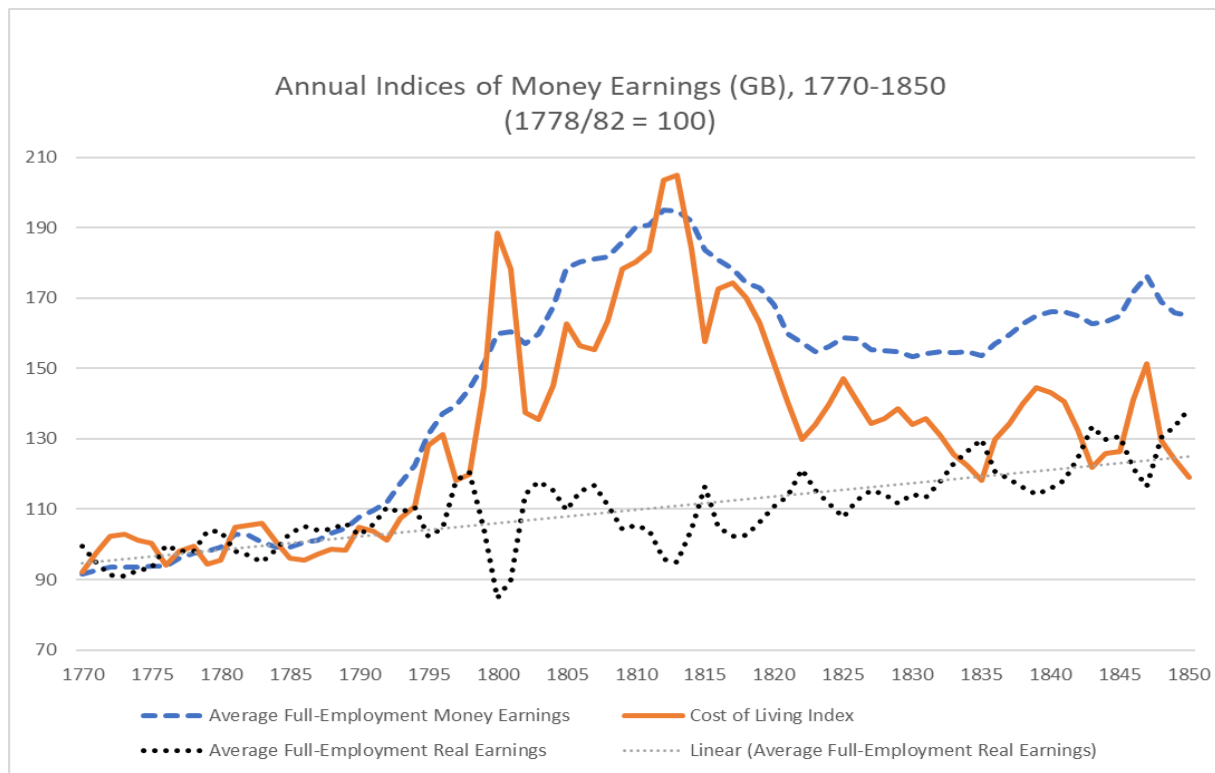
⁶ In 1818, 10% of the English population received poor relief. In Scotland, the figure was only 1.3 to 3.4 % (Mitchison 1989: 215).

growth can lead to negative average growth overall. Wages oscillated around the physiological subsistence level in large areas of the country. In the agrarian south of England, income disparity was pronounced. In the south-eastern counties of England, nominal agricultural wages fell by an average of 18% between 1767 and 1795, a situation that was to change at the start of the Napoleonic Wars (Boyer 1990: 34; 47). In Ireland and Scotland, lower incomes were particularly low.⁷⁷ According to the large tenants, the municipality should supplement the low wages from the poor box (Hobsbawm/Rudé 1969: 50; Poynter 1969: 83; Webb/Webb 1963: 7; 14-5). The urban-rural wage gap continued overall after the end of the old Poor Law (1832-1851) (Boyer 1990: 210, 221; Snell 1985).

The optimists in the debate claimed that living standards improved in the industrial revolution. The opponents argued on the basis of the real wage, whereby the standard of living was determined differently and the results were interpreted differently. Peter H. Lindert and Jeffrey G. Williamson used an econometric model to calculate a small increase between 1781 and 1819 and then a disproportionate increase in average real wages (1819-1851). Besides the patchy statistics, other factors (geography, occupational structure) make an income-based assessment difficult (Broadberry et al. 2015: 276-7; Maddison 2003: 252-3; Poynter 1969: 27-32). Charles Feinstein (1932-2004) comes to different conclusions based on better data and the Lindert/Williamson results have since been superseded. Feinstein found a slight wage increase of 10-15% between 1780 and 1850 (Feinstein 1998: 650). The slight upward trend results from the fact that rising factory wages overcompensated for stagnating or falling agricultural wages.

⁷⁷ Scottish GDP per capita was only three quarters of the English income level (1801). In Ireland it was even lower, rising only half as fast between 1700 and 1801 (Maddison 2003: 273).

Figure 2: Annual Indices of Money Earnings (GB), 1770-1850



Quelle: Own Source according to: Feinstein (1998): 652-3 (Appendix Table 1).

Three phases can be distinguished in the development of average nominal wages, cost of living and real wages (Fig.). Initially, the three curves run almost synchronously with relatively small swings. The wage curve rises slightly until the beginning of the war (1793) with France. In the second phase (1805-1811), money wages in the wheat belt of the southern counties initially remained constant with a downward tendency. This changed in the third phase from 1820 onward, where real wages plummeted significantly because money wage increases could not keep up with the sometimes sharp increases in food prices (Daunton 2007: 2)

What could people buy with their wages? The real wage has proven to be a meaningful indicator of living standards. When the cost of living rises, the purchasing power of wages also falls, as in the crisis years of 1795, 1800/1 and 1815/16, when wheat became extremely expensive. In the last third of the curve shown, nominal wages fell, food prices returned to a lower level and real wages consequently rose moderately. The cost of living rose abruptly, but wages lagged behind. There followed a long downturn (1790-1840), which Robert C. Allen called the "Engels pause".⁸ After 1850, wages caught up and the general standard of living improved (Daunton 1995: 439; Osterhammel 2009: 259). This is even

⁸ Robert C. Allen referred to Friedrich Engels, who described the conditions in *The Condition of the Working Class in England* (Allen 2009a).

more true for the extension proposed by Robert C. Allen, which considers different real income levels, from a fixed lower limit (bare bones subsistence) to a plausible upper limit for average consumption, in order to put incomes in relation to the living standards of different social groups. The lowest-cost configuration of consumer goods ensures the rudimentary provision of clothing, heating and shelter for an adult male or, multiplied by three, for a family of four. Other baskets of goods go beyond the basic provision of calories. The result of this observation is that real wages, as measured by the prices of consumer goods for individual groups of the population, remained roughly stable between 1750 and 1815-20 (Allen 2009: 41-2). The result was that earnings exceeded the absolute subsistence minimum many times over, with geographical wage convergence going hand in hand with the spread of white bread consumption (Allen 2009: 44).

Economic growth and employment increased in the cities of northern England, wages remained stable or increased slightly (Snell 1985: 129). Industry expanded because hydroelectric power and coal were available and cheap, transport costs fell and firms took advantage of increasing economies of scale. This also benefited ancillary industries and trades such as Manchester cotton brokers and Oldham machine builders. Finally, the old Poor Law helped to compensate for lost income and to manage the seasonal use of labour (Allen 2009: 31; Daunton 2007: 42-3; Harris 2008: 221-3). Robert Allen sums it up: it was the relatively high wages at low energy and capital costs that encouraged the use of labour-saving techniques and boosted the British economy in the 18th century.

In summary, real wages rose slightly on average after 1760 (Eden 1797: 433-5; Finch 1989: 179; Sokoll 1993: 31). Nevertheless, a family's standard of living could only be secured through the social network of mutual help (Preiser-Kapeller 2021: 22). The more women and children contributed to the household income, the more bearable were wage losses of the main wage earner (breadwinner). Other cultural and economic indicators of well-being besides real wages are interesting but imprecise (e.g. education, GDP growth, health status, life expectancy, stature). Consumption patterns, which differ from class to class, also differ strongly geographically (Reinhard 2006). The combination of relatively high labour costs and low energy and transport costs led to the factor substitution of labour by capital (Allen 2011b). This caused the surge in development of the British economy.

4. On criticism of the old Poor Law

The Royal Commission into the Operation of the Poor Laws, appointed by the House of Commons in 1832, was fiercely critical of the old poor law and specifically of the Speenhamland system of poor relief in England and Wales (Report 1834). The narrative of the appointed commissioners formed the dominant opinion in the 19th century, although, like the alternative narrative of the market critics, it was incomplete (Poynter 1969: 62). Karl Marx and Friedrich Engels studied numerous government reports and based their own theses on them. Marx

concluded that parish relief was a consequence of the downward spiral of wages - a posse of provincial dogberries (MEW 23: 628-9.; Block/Somers 2003: 21).

The Royal Commission's first monitum against the old Poor Law was population growth. This objection goes back to Thomas Malthus (1766-1834), who caused a furore with his theory of the population trap in *An Essay on the Principle of Population* (1798), according to which food production would grow linearly, but population exponentially. For Malthus, any poor relief was responsible for early marriage. He considered hard work and abstinence to be effective antidotes to halt moral decay and high fertility rates. Natural disasters and famines were a corrective to population growth for the Anglican clergyman. The population trap is based on a statistical trick, for Malthus took the exceptionally low population after the Great Plague in southern England (1665/66) as the starting point for his assumption, without considering that the subsequent population increase merely compensated for the consequences of pandemics, famines and displacement. Malthus' biggest mistake was that he did not include the progress in productivity in agriculture and industry, which had a dual function: on the one hand, a growing population consumed more, effective demand and commodity production increased, on the other hand, labour became scarce and expensive. Rising labour costs and commodity prices provided an incentive for factor substitution, and new technologies ensured rising productivity in the English economy (Greif/Iyigun 2000). The population increased across Europe independently of poor relief, even in places where there was little or no poor relief. Poor relief as a theoretical explanation for human reproductive behaviour and excess births seemed simple, but was not evident (Broadberry et al. 2015: 270-2). The British economy was ultimately capable of feeding more people than Malthus claimed (Blaug 1963: 173-4; Daunton 1995: 388; Marshall 1973: 38-43). Malthus later retracted parts of his population theory. The criticism that poor relief triggered a population explosion is not tenable.

A second criticism was the migration of able-bodied labour from the agricultural South to London and the industrial North West. The main rebuttal is that Britain was a highly mobile country even before the Industrial Revolution (Allen 2009: 71). It was migration that contributed significantly to population growth in the cities as the south suffered from unemployment and de-industrialised (Daunton 1995: 159). The metropolises absorbed half of the natural population growth (Wrigley 2008). Agriculture needed a lot of labour during seasonal peaks, and support practices were an appropriate tool to solve this problem while mechanisation was still low.

George Boyer studied the mobility effects of poor relief by comparing three scenarios. In the first model, farmers continued to pay their workers according to the marginal product of labour and poor relief was a cost-of-living supplement for bread. The second model referred to Polanyi, in which wages and poor relief were subsidiary. Farmers lowered wages with reference to the municipal supplement. The total income of farm workers remained the same without farmers paying

higher wages (Polanyi 2001: 94). The third model is about migration behaviour in the face of shrinking total incomes. Contrary to expectations, poor relief had no significant effect on migration to the cities in these three model considerations (Boyer 1990: 174; 191).

There are other factors in migration behaviour. For example, working and living conditions in the factory towns of the early 19th century were poor. Word got around and inhibited emigration. Another factor is cultural integration into the village community. A third relates to the mutual help of families and neighbourhoods.

The third point of criticism against the old Poor Law concerned the incentive to work: motivation to work would suffer without compulsory work. Moreover, it would be unfair if the able-bodied wanted to live at the expense of the able-bodied. As far as the Speenhamland system as a historically first granted wage subsidy (*allowances in aid of wages*) was concerned, one relied on subjective impressions of Anglican parish priests or volunteer poor relief workers. Social-psychological, anthropological and econometric resentments are raised against poor relief today as they were then. Theoretically, negative labour supply reactions are conceivable when people make a living without work (McCloskey 1973: 432-4). Among the economic reservations is the subtle argument about wage determination. It was David Ricardo who warned that taxes on the poor damaged the efficiency of the British economy because they placed different burdens on different branches of production. In his *Principles* of 1817, David Ricardo warned in the chapter on poor relief that capital might flow out of productive sectors, that manufactured goods would become more expensive and profit margins would collapse because the costs and benefits of poor relief would be unequally distributed between sectors of the economy (Ricardo 1959: 248-53). Externalities are positive or negative, can cause opportunity costs because tax funds are used for in-work benefits and not 'productively'. There are various reasons against a negative work incentive effect. First, it is not very plausible that negative work incentives and falling wages occur simultaneously.

A fourth aspect is that low-wage strategies have a major disadvantage: Old knowledge and skills become redundant and human capital becomes obsolete (*skill obsolescence*). The consequences for occupational skills and integration, but also for family incomes, have been enormous (Humphries 2011). Presumably, the end of the guild system, the restrictions on guild regulations and vocational training and the shortened apprenticeship period began in pre-industrial times as a reaction to wage dynamics in order to depress wages (Poynter 1969: 82). This was perceived as an attack on the status of the petty bourgeoisie and accordingly provided a cause for discontent. Several counter-effects are significant. Firstly, work motivation suffers. Secondly, the opportunity costs, which are described in economics as a consequence of de-skilling due to the technical-economic structural change, grow. The alternative costs are also about work motivation, which is likely to have suffered from intellectual dispossession. The work incentive and

resentment of the rationalisation losers who lose their social status, income and self-esteem because they cannot compete with the new technology has remained an ongoing issue.

A fifth reason is that the new workhouses were poorly targeted and ineffective because only a minority of the inmates were fit for work. The utilitarian protagonists of the new poor policy had the idea that the bread scale was detrimental to work motivation. On purely formal grounds alone, this thesis is implausible, for the support payment was a wage supplement and not a wage substitute (Boyer 1990: 142-3; Mokyr 1999: 53). George Boyer was able to refute the objection of the supposed laziness explosion with his regression calculations (Boyer 1990: 142-3). With regard to labour productivity, it should also be noted that the sum of poor relief and wages only covered the lower subsistence level. To meet additional needs, people had to work harder. The question that remains at this point is whether the poor relief (allowances in aid of wages) subsidised incomes or wages, which may seem theoretical. A simple answer is that a supplementary wage subsidy requires an employment relationship, whereas a minimum income does not.

The criticism of wage subsidies has remained topical: Burden on the social budget and decline in labour productivity (Block/Somers 2003: 10). Britain escaped the Malthusian trap not only through cheap coal, long-haired sheep, its dynamic entrepreneurs or its economic skill. The Royal Navy, the East India Co, plantations and indentured labour also contributed (Daunton 2007: 4; 17; Allen 2009b: 131; Allen 2011a, b).

Total expenditure and per capita expenditure on poor relief

The objection that poor relief led to snowballing costs needs to be examined more closely to work out the connections. Total relief expenditure was 1.0%, rising to 2.7% (1818-20) of gross domestic product (GDP) (Lindert 1998; Webb/Webb 1963).⁹ A closer look at total expenditure and per capita expenditure shows three phases between 1790 and 1834, some peaks and a different pattern of progression of both variables. In phase 1, total expenditure peaked around 1800, followed by a slow decline in the subsequent period until the end of the war. Thereafter, total poor relief expenditure declined regardless of other regional developments. One reason was the inelastic demand for wheat, which caused grain prices to rise, another was the increasing maintenance costs of invalids, war widows, orphans and other beneficiaries (e.g. workhouse inmates). A third reason was that the poor relief officers were also responsible for road construction and the expenditure item "poor relief" concealed infrastructure measures (Blaug 1963: 155; Baugh 1975: 58-9).¹⁰ In Phase 2 (1813-1818), total expenditure on poor relief remained at a

⁹ By comparison, the US government spent about 1.3% of GDP on major social programmes between 2002 and 2004 (Patriquin 2007: 217).

¹⁰ Historical statistics are often incomplete and subject to errors. The data in the church records therefore only permit rough statements of trends (Baugh 1975: 51-2).

similarly high level, while per capita expenditure continued to rise. In Phase 3 (1820-1834), expenditure on poor relief fell steadily until the abolition of the old Poor Law in 1834.

This pattern is evident in both Speenham-land and non-Speenham-land areas in Essex, Kent and Sussex. In the mixed Speenham-land county of Essex, expenditure on poor relief averaged £1.24 per head and in the non-Speenham-land boroughs of Kent £1.29. The difference was thus minimal. Only in the Speenham-land counties of Sussex were they significantly higher at £1.56. In all three counties, expenditure on sprenkel aid fell after 1820, levelling off at around £1 a year. Aid melted away by almost a third in both Speenhamland and non-Speenhamland parishes (Baugh 1975: 62-8).¹¹ With an annual farm wage of about £30, a needy family could claim support allowance of £13/year (Sokoll 1993: 122-4).

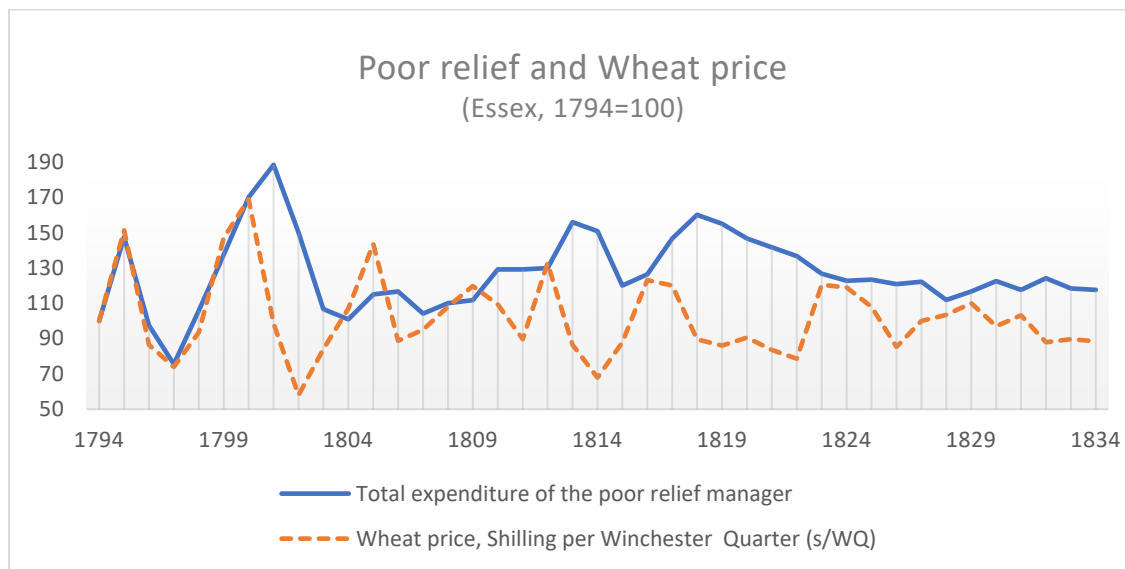
Unlike total expenditure, per capita social expenditure did not peak until around 1822 (Blaug 1963: 166). How can the differences between total and per capita expenditure be explained? The reasons for the increase in per capita expenditure in phase 2 can be found in the function of poor relief as a wage subsidy and the specific interests involved (Blaug 1963: 161-2; 165-6; Baugh 1975: 56-9). It was not until the 1820s that per capita social expenditure also gradually declined. In order to clarify what drove the expenditure on poor relief, we need to delve deeper.

Wheat prices and poor relief

Poor relief expenditure followed the ups and downs of wheat prices. The figure illustrates the interplay between poor relief and wheat prices in the wheat-growing areas of Essex.

¹¹ G. Boyer confirmed this for Essex, Norfolk and Bedford (Boyer 1990). D. Baugh studied community poor relief in the three counties of Essex, Kent and Sussex. T. Sokoll studied wheat prices in the grain market in Colchester (Essex). Throughout, this unmistakable correlation is evident.

Figure 3: Support practices and wheat price (1794-1834)



Source: Own illustration based on Baugh (1975: 56-7), Blaug (1963: 163-5), Sokoll (1988; 1993; 2015), and Mingay (1989 (ed.): 974-75).

Note: The expenses of the poor-wardens are compared with the price of wheat in Essex (in each case in 5-month moving averages); the monthly average price in the Colchester grain market, shillings per Winchester quarter, s/WQ (= 2.82 hectolitres), was noted.

The social historian Thomas Sokoll (*1954) researched poverty risks using parish account books from two villages not far from Colchester (Essex). At the micro level, total costs and per capita expenditure on poor relief between 1794 and 1802 can be adequately traced (Sokoll 1988: 34-6; 2015: 83-89). The records of the voluntary poor relief officers also contain clues to the social structure and demography of individual communities, which are revealing for the causes of impoverishment. Ardleigh - a typical rural village in the south-east of England - was comparable to other rural areas in terms of demography. Families were large, mortality rates comparatively low and the number of children greater than in non-rural villages. Ardleigh, like almost all Essex communities, had been hemmed in early on, with no immediate migration to the emerging industrial areas. As might be expected, poverty was unevenly distributed across the life cycle, i.e. the young and elderly were disproportionately in need. Families felt a moral obligation (moral duty) to assist each other (Sokoll 1988; 1993; 2015). It was therefore not uncommon in Ardleigh to take in lodgers, who could be relatives in the broadest sense (co-residence). Wage rates were typically low for other rural communities. The bread scale was not officially introduced in Ardleigh until September 1823, although it was reduced elsewhere after 1820. Rural villagers rarely suffered from food shortages before then. Families with large numbers of children received various forms of support, but the able-bodied, the elderly and widows were also provided with clothing and benefits in kind when needed. The Ardleigh example

suggests that rural families grew not because of poor relief but because they took in those in need.¹² Per capita expenditure on poor relief was actually higher than the Essex average from 1822 onwards (Sokoll 1993: 138; Table 5.2). The findings on Ardleigh are transferable to other rural regions. Poor relief expenditure was also dependent on wheat prices where the Speenhamland system did not exist in this form, as evidenced by its late introduction in Ardleigh (Sokoll 1988: 34ff.; 2015: 83-89). The variance in total expenditure on poor relief depended heavily on economic and political interests, as my regression analysis confirms.¹³

It should be noted that support for the unemployed, underemployed and low-income earners followed the ups and downs of regional wheat prices (Baugh 1975: 57; Blaug 1963: 167; Boyer 1990: 11; Neumann 1982: 79-109; Snell 1985: 195; Sokoll 1988: 31-37; Williams 2004: 59). When wheat prices fell, poor relief officers reduced the income subsidy; when prices rose, they took their time in adjusting (Boyer 1990: 11; Neuman 1982: 97-107; Sokoll 1988: 31-7; Williams 2004: 59). The old poor law thus did not lead to wage explosion or erosion (Baugh 1975: 63; Sokoll 1988: 79). The snowball effect of the cost of poor relief is a myth.

International economic interdependence, economic boom and stock market crash

With industrialisation, the danger of overproduction and international financial crises grew. Investors' margins collapsed in 1793 in the wake of the Channel Building Fever in England and investors invested elsewhere. Gold stocks flowed out of Britain, which, along with other factors, forced the Bank of England (a private institution until 1946) to suspend the convertibility of banknotes and gold. The present central bank financed the war and ran into financial difficulties in 1795. Cash assets were almost non-existent in 1797 and payment transactions were temporarily suspended, triggering a wave of bankruptcies to which many projected canal projects fell victim.

After 1810, the prospects for returns deteriorated despite rising domestic demand. British merchants lost their sales territories in Europe due to the Continental Blockade and the Great Panic in England (1806-1811) and shifted their activities to international sales markets. When South American securities flooded the London Stock Exchange from mid-1824 onwards, the coupons on these bonds halved to around 3%. Speculation in Latin American government bonds caused the stock market crash of 1825/26 in London, with savers demanding cash for their deposits and banks calling in loans in one fell swoop. The renewed cash

¹² The elderly and infirm continued to receive outdoor relief in many counties after 1834 until well into the nineteenth century (Report 1834: 104; 135; 292; 338; 486; 538; 659; Pat Thane in: Dauntton 2005: 88).

¹³ Sokoll compared poor expenditure in Ardleigh with that in the parish of Braintree (Essex), barely 40 km away. There, the pattern of expenditure from the 1820s onwards was different from that in Ardleigh (and the Essex average) (Sokoll 1993: 227; Table 8.3). Families were smaller in Braintree, the social structure and the activities carried out were different due to evolved forms of employment (Sokoll 1993: 185-209). The turning point of the traditional economic structure led to socio-economic upheavals around 1730. None of the wool weavers had managed the structural change and converted to silk production (Sokoll 1993: 199).

shortage hurt the agricultural economy in particular, as all agricultural payments were made in coins or banknotes. The Bank of England restricted convertibility to five- and ten-pound notes and did not issue any notes under £5 since 1826. Paper money stocks were rapidly running out and the Bank of England's holdings of precious metals (coinage) were shrinking dramatically. Grain farmers could not service the loans (Wallerstein 2012: 67-8). In 1821, the old one-pound notes were allowed to be issued, which had been suspended in 1797, and the gold standard was introduced as a safeguard (Dauntton 1995: 348-55). A tenth of the banks became insolvent and farms had to close.

The 22-year war with France ended with victory at Waterloo in 1815, followed by a devastating depression. The French economist Thomas Piketty (*1971) has compared the data on wealth distribution for several countries. For the United Kingdom, the Speenhamland period shows that the wealth of the upper classes fell slightly, only to rise again from 1810 onwards (Piketty 2020). All the crisis factors converged in 1815/16 (Hammond/Hammond 1926: 87-9). That the British upper classes introduced a minimum income at this tipping point of strained public budgets is remarkable. The apparent contradiction between the expansion of social overheads and rising war expenditure can only be explained by the fact that peace on the home front appeared to be important for the war.

5. Social protest and social policy

Ripple effect, in the economic language, is the disruption of a system in which a small ripple triggers a cascade of ever larger effects. Between 1650 and 1815 there was an increase in local bread price riots, which quickly became political and were to become the main motive for the Speenhamland system. The war against revolutionary France from 1793 had a price-driving effect. On the continent grain was cheap, but British grain imports fell sharply due to the war. During the "Second Coalition", the price of wheat doubled in just one year, rising at times to an unimaginable 118 shillings per quart. The dramatic price jumps in the great crises (1795/6, 1799-1801, 1802/3) were each followed by a price crash. This chapter is intended to point out the great pressure that large sections of the population were under and which was unleashed in social revolts.

The Corn Laws - artificial shortage of bread grain

The Corn Laws made the staple food more expensive, which led to social upheaval and riots. There was a heated debate about the Corn Bill in the run-up. The Corn Laws of 1815, amended in 1822 and 1828, were intended to keep the price level of domestic grain at wartime levels that were adequate for wheat farmers and to discourage grain imports (Poynter 1969: 223-4). Grain producers passed on the price pressure, which tempted millers, grain traders and bakers to add additives to grain that were dangerous to health. Women banded together against these

machinations and demanded affordable, pure wheat bread instead of adulterated mixed bread. The middle classes also took part in the riots (Thompson 1980: 106-7).

As late as the 1740s, wheat cost about 30 shillings (s.) per quart (qu.), from which about 350 one-kilo loaves could be baked. The price of grain was stable for a long time at 40s./qu. A two-pound loaf, the daily ration for an adult person, cost about 1.4d. (pence). A per capita requirement of 2s. was equivalent to 1/5th of the weekly working wage of 10s. At the same time, eating habits changed. While ham, cheese, vegetables and meat were traditionally also on the menu, carbohydrate-rich pastries soon became the staple food due to poverty, but also as a new lifestyle. Meat has always been a food with a high-income elasticity of demand and therefore meat consumption was an important dimension by which the standard of living of the working class was measured (Allen 2009: 32). By 1790, two-thirds of the English population had already changed their dietary habits to white bread.¹⁴

From the factory owners' perspective, the Corn Laws were doubly damaging. They increased the cost of labour inputs and restricted exports, as foreign buyers paid for British manufactured goods in return for grain supplies. Ricardo supported the League with his subsistence wage theory and advocated free trade and against protectionist import tariffs. Malthus was the only economist of note to advocate tariffs on imported grain. The Anti-Corn Law League, founded by factory owners in 1831, pushed for the abolition of import duties. Free trade advocates fought for laissez-faire capitalism, but they overlooked the fact that it was the 'fiscal-military state' that led to British hegemony, not the 'invisible hand' postulated by Adam Smith (Daunton 1995: 558).

From the consumer's point of view, a high grain price put a heavy burden on the family budget of the low-income population, who had to spend an ever larger share of disposable income on subsistence (Blaug 1963: 162-4; Block/Somers 2003: 295-6; Herlihy 1998: 59; Cobbett 1912; Polanyi 2001: 143). The old poor law buffered the worst needs of the rural population in times of crisis, but families suffered doubly when wages and poor relief were cut at the same time (Foster 1977: 63). A fatal effect was that the smallest farmers used up large parts of their seeds in times of need. Even in the wheat belt in southern and eastern England, cultivation declined, which exacerbated the supply crisis. Prices for wheat, barley and oats exploded in England and Wales. The rent theory of David Ricardo (1772-1823), the demand for affordable bread and political unrest ended the Corn Tariff Acts in 1846. Prices fell during the "Hungry 40's", but it was not until the 1880's that bread grain became significantly cheaper.

¹⁴ Bread and pastries were widespread throughout Europe, where in hunger crises they were made with ground chestnuts, roots, turnips and chopped straw. White bread, rolls and sweet pastries made from fine, highly sifted flour were initially reserved for the wealthy.

The long history of social resistance

Dissatisfied people destroyed machines for shearing wool as early as 1758, after which Parliament passed a law against machine destruction in 1769. Violent protest continued with the Luddites, who rebelled in 1811-13 after price controls on cottage industry products were lifted.¹⁵ The resisters feared their social relegation, devaluation and loss of their professional skills (Thompson 1980: 12). Home textile workers did not blindly destroy machines, but rather targeted those factory owners who were particularly rigorous in their use of new techniques. The political elites were less concerned about the sometimes-backward-looking slogans of the Luddites than about their great clout (Wallerstein 2012: 39-41).

The London shoemaker Thomas Hardy founded the first workers' societies in 1792. In October 1795 there were demonstrations against King George III and Prime Minister William Pitt to persuade them to make peace with France. In 1797 there was a mutiny of the navy. The nature and intensity of the revolt worried the British authorities, especially as there was a great deal of rumbling on the continent. William Pitt had the London debating societies banned in 1799, enforced the Anti-Combination Acts (1799 and 1800) and temporarily suspended the Habeas Corpus Act (1794-1801). The Restoration government imposed the death penalty against sabotage in 1811. Lord Byron made a flaming speech against the "Terror Act" in the House of Lords in 1812. In 1813, eighteen York workers were executed.

The Corn Laws fuelled the protests and the House of Commons felt compelled to examine the consequences in the Royal Commission Report of 1815. The report defined an absolute subsistence level below which no worker should fall. When it became known that the vital grain was artificially scarce, shipped and exported, resentment grew and further turmoil ensued, which can only be briefly mentioned here: Spa Fields Riots in London (1816), Derbyshire Rising (1817), March of the Blanketeers (1817). In the uprising of the handloom weavers of Pentrich (1817), about 300 armed men formed up. The authorities reacted brutally in the Peterloo Massacre on St Peter's Field near Manchester (1819). After the Cato Street Conspiracy (1820), Parliament passed the Combinations of Workmen Act in 1825 to prevent confederations of labourers and criminalise strikers. In response to the revolts, the political representatives of the tenant farmers used either poor relief or the military, or both, as a remedy.

Social resistance crumbled but constantly reformed (Abendroth 1972: 13-16). The Swing Riots (1830-31) in southern and eastern England were ignited by agricultural mechanisation. Modern threshing machines made labour redundant, depressed wages and drove up the cost of poor relief (Bregman 2021: 93). In the Elham Valley region of East Kent in 1830, farm implements were destroyed, over 100 threshing machines were demolished, and workhouses and granaries were

¹⁵ The Luddite rebellion began in Nottingham in November 1811 and spread to Yorkshire and Lancashire in early 1812.

devastated. The Whig government put nearly 2,000 demonstrators on trial between 1830/31 and punished them severely (Hobsbawm/Rudé 1969). The list of those convicted testifies that in addition to agricultural workers, artisans, home workers, shoemakers, carpenters, wheelwrights, blacksmiths and shoemakers also took part in the protests. Their motives were acute need, but also the politics of inequality, which shook notions of legitimacy and basic moral assumptions (Haude 2019).

The English social historian Edward P. Thompson (1924-93) coined the term "moral economy" to describe the culture of protest and unrest (Thompson 1971: 76-136). In the paternalistic tradition, the poor came to terms with low subsistence wages, but not with the fact that they could no longer afford their daily bread, and expected the authorities to ensure affordable bread prices (Thompson 2013: 68). Nothing is fixed, as Albert Hirschman (1915-2012) explained. Benefits and wages do not automatically follow the rising cost of living. Strikes and labour disputes are always upstream. As a consequence, social and political disobedience grows when support, once granted, is denied again for specious reasons (Hirschman 1988). Alliances with the liberal bourgeoisie against the agrarian elites have been handed down, but they were fragile and ended with the suffrage reform of 1832. Alliances between the nobility and the factory bourgeoisie had already emerged in the 16th and 17th centuries and solidified in the 1830s. The Reform Act of 1832 extended the right to vote to the bourgeoisie, but still withheld it from the common people.

It is clear from this that social concessions to pacify mass protests were one option, state repression and propaganda another (Sokoll 1993: 134). Speenhamland was the political prize for preserving public tranquillity, which served several functions. One was to delay the transition from paternalism to industrial capitalism. A second, to improve the material living standards of impoverished Britons. Another, to strengthen the domestic economy (Ashton 1948; Boyer 1990: 149; Jessop/Sum 2019; Polanyi 2001: 92-3). The prime example of the dual function of social policy is Richard Nixon's Family Assistance Plan (FAP) in the late 1960s to contain racial conflict and student revolt. In their study *Regulation of Poverty*, the US social researchers Frances Piven and Richard Cloward showed by way of example that the fight against poverty is often enough a fight against the poor (Piven /Cloward 1977: 91; 97).

6. On the significance of the Speenhamland system

The key to understanding Speenhamland lies in the dogged struggle to reform the poor law. Sometimes assistance was given in kind (e.g. flour) or only if the family had more than three children (Marshall 1973: 13-4; Poynter 1969: 77). The family income did not exceed the subsistence level (Sokoll 1988: 21). In England and Wales around 1800 there were about 15,000 independent parishes, each with about 500 households. The basic pattern of poor relief applied in many of them (Blaug 1964: 244; Neuman 1982: 160-3). Community relief was widespread in

many counties of England and Wales, apart from northern England and Scotland, which suffered from seasonal unemployment and the decline of the cottage industry. Some 200,000 people were permanently or temporarily supported between 1817 and 1821, equivalent to one-fifth of the population (Blaug 1963: 176-7; Marshall 1973: 31-2; Poynter 1969: 189). The Speenhamland system provided a minimum income for all poor people, whether they were employed, unemployed, incapacitated, disabled or sick. Therefore, it is of secondary importance whether it was a temporary measure with incomplete distribution and with great regional diversity. The diversity, discretionary powers of the poor relief officers and the geographical extent of the relief are less significant than its novel form of providing a monetary allowance in aid of wages, family allowance and child allowance to the able-bodied poor and enabling greater participation in society (Baugh 1975: 67; Sokoll 2015: 87).

The Royal Commission's findings shaped researchers for generations, who adopted much of it without criticism. Researchers such as Hammond and Hammond, Webb and Webb, and Thompson remained wedded to the critique of the old Poor Law. Even Karl Polanyi, who studied the transition to capitalism in the 1940s, declared that the Speenhamland system wanted to do good but achieved bad. Polanyi was convinced that poor relief strengthened the power of the landed gentry, hindered the factory bourgeoisie and broke the will of the working class to resist. It was not until the 1960s that researchers revised the old theses using new methods.

Recent research on the impact of the old Poor Law

The researchers found clear evidence that the old Poor Law had a positive effect. I have been able to add the following overview (Chart 1).

Chart 1: Synopsis of the positions to the Speenhamland system (SLS)

Position vertreten von	Argumentation	Begründung	Ergebnis
J. Townsend, T. R. Malthus, Royal Commissioners, L. v. Mises u. M. Olasky	SLS undermined the self-regulation, discipline and efficiency of the market. SLS put the brakes on mobility.	Early marriage, more children and unemployed poor, little food and great hardship.	Wages and productivity are low, population and poverty are increasing.
K. Marx; F. Engels, J. und B. Hammond, Beatrice und Sydney Webb, E.P. Thompson	Wage subsidies had serious consequences, including wage cuts.	Passing on wage costs to the municipality and burdening the poor relief fund.	Wages and productivity are low, population and poverty are increasing.
K. Polanyi; E. J. Hobsbawm, G. Rudé	SLS weakened the bargaining power of the working class	Repression, propaganda and concessions served this purpose.	Löhne und Produktivität sind niedrig, Bevölkerung und Armut nehmen zu
F. Block u. M. Somers, M. Blaug, J.P. Huzel, D.A. Baugh und K. D. Snell, Th. Sokoll	SLS was widespread, sparing the South and strengthening the North.	SLS improved the living conditions and buffered the hardship of poor families.	SLS strengthened Britain's economic and political superiority.
Meine Synthese aus den verschiedenen Studien (KUG)	SLS and real wage growth favoured living conditions.	SLS was a wage subsidy, livelihood security and conflict strategy.	SLS reinforced Britain's superiority.

Source: Own research based on findings by Fred Block/Margaret Somers (2003: 292).

Why did the ideas of Malthus and Ricardo to abolish the Poor Law not take hold as early as 1780, but only after the 40-year Speenhamland episode? Political and economic interests were decisive. The relief was financed by a municipal levy, which was collected as a land tax and amounted to £1 per acre of cultivated agricultural land (Sokoll 1993: 129).

So, who benefited most financially from poor relief? Farmers (including large and small holdings, gentry, clergy and tenants) contributed 70% to the poor relief fund, at the same time benefiting most from poor relief and controlling wheat prices themselves. While the labourers used to keep their jobs in winter, they were now laid off in the off-season. At most, they were given a job as day labourers under the community relief scheme (Snell 1985: 98). Anyone who hired under-employed labour (farmers, artisans, households) could offset wage costs and tax debts. Farmers benefited most when their net payments to the poor rate were lower than the wages they paid (Boyer 1990: 191-2). This is because the wage and the poor rate were a substitution relationship. Thus, in the hope of achieving a positive marginal product of labour, it was advantageous to hire more labour than was needed. Even if the costs are the same, it is not indifferent for the employer-employee relationship whether voluntary notables (poor relief workers) are above it or the poor relief fund provides a supplement. Without this moral authority, wage negotiations would have been tougher.

The transfer payment would have been obsolete if the large farmers had paid their farm labourers adequately and employed them all year round. Poor relief as a market repair operation must therefore have been profitable for the large

farmers. The number of workers needed in agriculture shrank due to agricultural mechanisation. Low production costs ensured yield margins despite increased rents (Daunton 1995: 116). On the one hand, factory owners were able to dispose of the reservoir of new labour that had been enlarged by increasing migration. On the other hand, they used poor relief as a kind of unemployment insurance and sent the unemployed back to their home communities when there was a surplus of labour to get rid of the ‘beggar plague’ (Clapham 1964). This gave them the opportunity to use poor relief as a free-rider problem (Daunton 2005: 26).

Was Speenhamland an early basic income?

While economic journalists today warn against a basic income with reference to Speenhamland, leading representatives of German corporations propose it to cushion the social consequences of digitalisation. An unconditional basic income solves the problem of people not having money enough to live on with a regular cash payment. The four frequently mentioned criteria are as follows and are then examined.

Info-Box: Four criteria for a Universal Basic Income (UBI)

-
- Universal individual entitlement that secures livelihood and enables social participation;
 - Basic income support that is sufficient to cover basic needs;
 - Income is regularly granted without means testing and
 - Cash benefits are guaranteed without being forced to work or other services in return.
-

Functioning and empowerment are necessarily multifaceted as they deal with different facets of life. In detail:

Firstly, Speenhamland was a new form of poor relief in the industrial Revolution, providing public money rather than payment in kind and loosening the link between paid work and income. It was a system that was at odds with laissez-faire capitalism and drove economic development. A system that, like all forms of basic security, loosened the link between paid work and income, for which Esping-Anderson uses the term decommodification. Only in this sense does the unconditional basic income stand in the continuity of the welfare state measures of the Old Poor Law, albeit with a higher degree of decommodification. The Speenhamland system did not meet the criteria of an unconditional basic income, nor was it an instrument of economic degrowth. It did not address the structural causes of poverty or social inequality. The workhouse scandals showed that something was wrong with the poor relief system.

Second, recent research refutes objections to the wage subsidy. Poor relief did not limit internal migration. Workers' morale suffered from the structural changes of the industrial revolution, not from the relief measure. The old English poor law was neither a negative example nor a shining model of social policy. The basic

mistrust of benefit claimants, as well as inconsistent standards and discretionary powers, still accompany the discourse.

Thirdly, the Speenhamland system made economic and paternalistic sense from a village perspective. It was cost effective for farmers (labour hire farmers) and an important source of income for artisans (Boyer 1990: 191-2; Daunton 2007: 42-3). The system helped to manage seasonal labour demand. All expenditure benefited local businesses and the poor overseers had a sufficient income. Factory owners were relieved in bad times and needed enough labour in good times. From a macroeconomic point of view, the Speenhamland version of the Old Poor Law was useful. High wages, combined with wage subsidies, strengthened purchasing power and increased effective demand, contributing to British industrialisation. The view that poor relief and wage subsidies were harmful is wrong.

Fourthly, the Low Pay Allowance was methodologically similar to a negative income tax, a construction that encourages rather than discourages work incentives. Under the old poor law there was only one case of an allowance, whereas today there are several. In its final phase, the wage subsidy resembled a family allowance. A single social transfer without means testing and sanctions is conceivable, but unlikely in the context of our welfare state tradition.

Fifth, the political elites introduced wage subsidies in 1795 and ended them 40 years later for political reasons. After the electoral reform of 1832, parliamentary majorities changed. Landowners and the bourgeoisie successfully allied to abolish the old Poor Law. One of the first measures was the Poor Law Amendment Act of 1834. The emerging bourgeoisie hoped that by abolishing the old Poor Law they would be able to enforce lower wages, while the landowners accused the peasants of conspiring with the workers against them (Hobsbawm/Rudé 1969: 196, 231-2). The anti-poor law movement, supported by figures such as Charles Dickens and Florence Nightingale, denounced the abuses of the New Poor Law, but the protest remained relatively ineffective because of the fragile alliances between labour and the middle classes.

The support systems mentioned here are listed according to various features of the means test, including the payment modalities (Chart 5).

Chart 2: Characteristics of basic security systems

Feature		Un-conditional basic income	Guaranteed minimum income	Negative income tax	Combined wage	Hartz IV/ Citizen's Income	Speen-hamland-System
Payment method	Cash benefit	✓	✓	✓	✓	✓	✓
	In-kind contribution						
Means test (income)*	cumulative	✓	✓	✓	✓	✓	
	not cumulative						✓
Payment frequency	one-off						
	regular	✓	✓	✓	✓	✓	✓
Payout amount	above the poverty line						
	below poverty line	✓	✓	✓	✓	✓	✓
Payment level	local						✓
	global	✓	✓	✓	✓	✓	
Funding mode**	re-distributive	✓					
	distributive		✓	✓	✓	✓	✓
Membership***	citizens		✓			✓	✓
	residents	✓		✓	✓		
Differentiation by age?	yes		✓	✓		✓	✓
	no	✓			✓		
Reference unit	household		✓	✓		✓	✓
	individual	✓			✓		
Transfer payment	income based		✓	✓	✓	✓	✓
	income independent	✓					

Source: Own research; Legend:

*) Cumulative: There is an exemption limit for other incomes (example: Hartz IV; own income, assets, child allowance) with a transfer withdrawal rate (= implicit limit tax rate).

**) redistributive: redistribution in favour of the poor; distributive: without the redistributive effect of a growing gross domestic product (GDP).

***) A distinction is made according to citizenship or resident status.

An outlook: The history of the early minimum income is instructive for at least one reason for the current discussion on an unconditional basic income. The first reason is that it has failed to minimise poverty risks through stronger work virtues and the creation of work incentives. With rising poverty rates, the self-regulating market is a fiction, because capitalism cannot manage without social guard rails. The non-compensable loss of work through automation and digitalisation is the strongest argument for an unconditional basic income. The desolation of inner cities is another. It can be stopped by an unconditional basic income if it enables the fixed costs of the small self-employed to be covered. So it is not surprising that it is conservatives who are calling for a negative income tax. Secondly, the early basic income was not a selfless concession by political elites to the suffering

population, but served ruling interests and was the sine qua non of social development.

According to Gøsta Esping-Andersen's typification, the conversion of the German 'Hartz IV' basic income to the citizen's income planned by the newly elected federal government in 2021 would correspond to a conservative welfare model that is only remotely reminiscent of an unconditional basic income. The coalition partners agreed on a moratorium on sanctions, a reduced imputation of additional income and a waiver of the assessment of assets and adequate housing. The urgency of corrections to the social security system can be seen in the criticism of basic income support and countless changes since 2003-4. The debate on a guaranteed minimum income has confirmed those arguments that were already elaborated in *Befreiung von falscher Arbeit* (Gerhardt/Weber 1986) and in *Hartz plus* (Gerhardt 2006). However, the fears in parts of the political elites of a basic income are greater than the expectations of citizens in this direction (Opielka/Strengmann-Kuhn 2022: 99). The citizen's income is an important step in the direction of a guaranteed minimum income that helps with broken employment biographies, closes gaps in the social security systems and thus offers a socially just cushioning of digitalisation.

7. Bibliography

- Abendroth, Wolfgang (1972): *Sozialgeschichte der europäischen Arbeiterbewegung*, 8. Auflage, Frankfurt/Main: Suhrkamp.
- Allen, Robert C. (2009a). "Engels' pause: Technical change, capital accumulation, and inequality in the British industrial revolution", *Explorations in Economic History*. 46 (4): 418–435. doi:10.1016/j.eeh.2009.04.004; accessed 19/10/2021.
- (2009b): *The British Industrial Revolution in Global Perspective*. New Approaches to Economic and Social History Series. Cambridge: Cambridge University Press.
- (2011a): *Global Economic History. A Very Short Introduction*. Oxford: University Press.
- / (2011b): "Why the Industrial Revolution was British: Commerce, Induced Invention, and the Scientific Revolution", *The Economic History Review*, Vol. 64, No. 2: 357-384.
- / Weisdorf, Jacob L. (2011): „Was there an 'industrious revolution' before the industrial revolution? An empirical exercise for England, c. 1300–1830", *Economic History Review*, 64: 715–29.

- Arrighi, Giovanni (2010): *The Long Twentieth Century, Money, Power and the Origins of our Time*, Updated Edition, London: Verso.
- Aschrott, Paul Felix (1886): *Das englische Armenwesen in seiner historischen Entwicklung und in seiner heutigen Gestalt*. Leipzig: Verlag Duncker und Humblot.
- Ashton, Thomas S. (1948 [1796]): *The Industrial Revolution (1760–1830)*, Oxford, New York: Oxford University Press.
- Baugh, Daniel A. (1975): “Cost of Poor Relief in South-East England, 1790–1834”, *Economic History Review*, 2nd ser., vol. 28, issue 1: 50–68.
- Bentham, Jeremy (2001): *The Collected Works of Jeremy Bentham: Writings on Poor Laws*, volume I, edited by Michael Quinn. Oxford: Clarendon Press. Doi: 10.1093/actrade/9780199242320.book.1
- Blaug, Mark (1963): “The Myth of the Old Poor Law and the Making of the New”, *The Journal of Economic History*, Vol. XXIII, June 1963, No. 2: 151–84.
- (1964): “The Poor Law Report Re-examined”, *The Journal of Economic History*, 1964, vol. 24, issue 2: 229–245.
- Block, Fred / Somers, Margaret (2003): “In the Shadow of Speenhamland: Social Policy and the Old Poor Law”, *Politics & Society (PAS)*, vol. 31(2): 283–323, download Paper - URL: <http://bev.berkeley.edu/ipe/readings/Fred%20Block%20Shadow%20of%20Speenhamland.pdf>; accessed 19/10/2021.
- Boyer, George R. (1990): *An Economic History of the English Poor Law, 1750–1850*. Cambridge: Cambridge University Press.
- (1997): “Poor relief, informal assistance, and short time during the Lancashire cotton famine”, *Explorations in Economic History* 34: 56–76.
- Bregman, Rutger (2021): *Utopien für Realisten: Die Zeit ist reif für die 15-Stunden-Woche, offene Grenzen und das bedingungslose Grundeinkommen*. 17. Auflage. Aus dem Englischen von Stephan Gebauer. Reinbek: Rowohlt Verlag.
- Broadberry, Stephen/Campbell, Bruce M.S./Klein, Alexander/Overton, Mark/Leeuwen, Bas van (2015): *British Economic Growth, 1270–1870*, Cambridge: Cambridge University Press.
- Clapham, John H. ([1926] 1964): *An Economic History of Modern Britain: The Early Railway Age, 1820–1850*, Volume I, Cambridge: University Press.

- Clément, Alain (1997): “Revenue Minimum: Les Lecons de Speenhamland”, *Lien Social et Politique* 42: 49-60.
- Daunton, Martin J. (1995): *Progress and Poverty. An Economic and Social History of Britain 1700-1850*, Oxford: University Press.
- ([1996] 2005): *Charity, self-interest and welfare in the English past*. Edited by Martin Daunton. London: University College.
- (2007): *Wealth and Welfare. An Economic and Social History of Britain 1851-1951*, Oxford: Oxford University Press.
- Eden, Frederick M. ([1797] 2011). *The State of the Poor: Or, An History of the Labouring Classes in England, from the Conquest to the Present Period*. Cambridge: University Press. doi:10.1017/CBO9781139095242
- Elder, Walter (1964): “Speenhamland Revisited”, *Social Service Review*, vol. 38, no. 3, University of Chicago Press, 1964: 294–302, - URL: <http://www.jstor.org/stable/30017670>; accessed 19/10/2021.
- Engels, Friedrich ([1845] 1962): *Die Lage der arbeitenden Klasse in England*. Marx-Engels-Werke (MEW), Bd 2: 225–506. Zitiert als MEW 2. Berlin: Dietz Verlag.
- Esping-Andersen, Gøsta (1990): *The Three Worlds of Welfare Capitalism*, Cambridge: Polity Press.
- Feinstein, Charles H. (1998). “Pessimism Perpetuated: Real Wages and the Standard of Living in Britain during and after the Industrial Revolution”, *The Journal of Economic History*. 58 (3): 625–658. doi:10.1017/S0022050700021100. JSTOR 2566618.
- (1988): “National Statistics, 1750-1920”, in: C. H. Feinstein and S. Pollard (eds.), *Studies in Capital Formation in the United Kingdom, 1750-1920*. Oxford: Clarendon Press.
- Finch, Janet (1989): *Family Obligations and Social Change*, Cambridge: Polity Press.
- Flinn, Michael W. (1975): *An Economic and Social History of Britain Since 1700*. London: Macmillan Education Ltd.
- (1984): *The History of the British Coal Industry*. Volume 2. 1700–1830: The Industrial Revolution. Oxford: University Press.

- Floud, Roderick/Johnson, Paul (2008): *The Cambridge Economic History of Modern Britain*, Volume I: Industrialisation, 1700-1860. Cambridge: University Press (Cambridge Histories Online).
- / Fogel, R. W. / Harris, R. / Hong, S. C. (2011): *The changing body: health, nutrition, and human development in the Western world since 1700*, Cambridge: Cambridge University Press.
- Foster, John (1977): "Class Struggle and the Industrial Revolution: Early Industrial Capitalism", *Three English Towns*, London: University Paperbacks.
- Gerhardt, Klaus-Uwe (2006): *Hartz plus*. Lohnsubventionen und Mindesteinkommen im Niedriglohnsektor, Wiesbaden: Verlag für Sozialwissenschaften.
- /Weber, Arnd (1986): *Garantiertes Mindesteinkommen. Für einen libertären Umgang mit der Krise*, in: Schmid, Thomas (Hrsg.): *Befreiung von falscher Arbeit. Thesen zum garantierten Mindesteinkommen*, 2. erheblich veränderte Aufl., Berlin: Wagenbach: 18-70.
- Greif, Avner / Iyigun, Murat (2000): "What did the Old Poor Law Really Accomplish?", A Redux, SSRN *Electronic Journal*.
- Hammond, John L./ Hammond, Barbara (1911): *The Village Labourer 1760-1832: A Study in the Government of England before the Reform Bill*, reprinted 1980, London: Longmans, Green, and Co.
- (1926): *The Rise of Modern Industry*, New York: Harcourt, Brace Co.
- Harris, Ron (2008): "Government and the economy, 1688-1850", in: Floud/Johnson, *The Cambridge Economic History of Modern Britain, Volume I: Industrialisation, 1700-1860*: 204-237.
- Haude, Rüdiger (2019): „Keep calm? A critique of Wolfgang Behringer’s ‘A Cultural History of Climate’“, *Journal of Environmental Studies and Science*. 9: 397-408.
- Herlihy, David (1998): *Der Schwarze Tod und die Verwandlung Europas*, Berlin: Wagenbach.
- Hirschman, Albert O. (1988): *Engagement und Enttäuschung*. Über das Schwanken der Bürger zwischen Privatwohl und Gemeinwohl. Frankfurt a. M.: Suhrkamp Verlag.
- Hobsbawm, Eric J. (1957): "The British Standard of Living 1798-1850", *Economic History Review* (1957) 10#1: 46-68.
- ([1969] 1977): *Industrie und Empire I. Britische Wirtschaftsgeschichte seit 1750*, zitiert nach der 7. dt. Auflage, Frankfurt am Main: Suhrkamp Verlag.

- / Rudé, George (1969): *Captain Swing*. London: Phoenix Press.
- Humphries, Jane (2011): *Childhood and Child Labour in the British Industrial Revolution*, 2nd Edition, Cambridge: Cambridge University Press.
- Huzel, James P. (1980): “The Demographic Impact of the Old Poor Law: More Reflections on Malthus”, *Economic History Review* 33: 367–81.
- (1989): “The Labourer and the Poor Law, 1750–1850”, in: G. E. Mingay, (ed.). *The Agrarian History of England and Wales*, Vol. 6, 1750–1850. Cambridge: Cambridge University Press: 755–810.
- Johnson, Paul / Nicholas, Stephen (1995): “Male and female living standards in England and Wales, 1812-1857: evidence from criminal height records”, *Economic History Review*, XLVIII, No 3: 471-481.
- Lindert, Peter H. / Williamson, Jeffrey G. (1983): “English Workers’ Living Standards during the Industrial Revolution. A New Look”, in: *The Economic History Review. New Series*, Vol. 36, No. 1, 1983: 1–25, <https://doi.org/10.2307/2598895>; accessed: 06/01/2021.
- Maddison, Angus (2003): *Die Weltwirtschaft: Eine Millenniumsperspektive*, Studien des Entwicklungszentrums, OECD Publishing, Paris, <https://doi.org/10.1787/9789264065000-de>.
- Malthus, Thomas ([1798] 1992): *An Essay on the Principle of Population*, Nachdruck der 2. Ausgabe von 1803, Cambridge: Cambridge University Press.
- Marshall, John Duncan ([1968] 1973): *The Old Poor Law, 1795–1834*. Reprinted 1973, London: Macmillan.
- Marx, Karl ([1867] 1972): *Das Kapital*. Kritik der politischen Ökonomie. Der Produktionsprozeß des Kapitals, Erster Band, Marx-Engels-Werke (MEW), Band 23. Zitiert als MEW 23. Berlin: Dietz Verlag.
- McCulloch, John R (1845): *The Literature of Political Economy: A Classified Catalogue of Select Publications in the Different Departments of that Science, with Historical, Critical and Biographical Notices*, London: Longman, Brown, Green & Longmans.
- Mingay, Gordon Edmund (ed.), (1989): *The Agrarian History of England and Wales*, Volume VI, 1750-1850. Cambridge: Cambridge University Press.
- Mitchison, Rosalind (1989): *North and South: The Development of the Gulf in Poor Law Practice*. In R.A. Houston and I.D. Whyte, eds. *Scottish Society 1500–1800*. Cambridge: Cambridge University Press: 199–225.

- Mokyr, Joel (Hrsg.) (1999). *The British Industrial Revolution: An Economic Perspective* (2nd ed.). New York: Routledge.
<https://doi.org/10.4324/9780429494567>; accessed: 28/04/2022.
- Neuman, Mark D. (1982): *The Speenhamland County: Poverty and the Poor Law in Berkshire, 1782-1834*. New York: Garland Pub (Modern British history).
- Newnham, George Lewes (1815): *A review of the evidence before the committees of the two Houses of Parliament, on the Corn Laws*. London.
- Opielka, Michael/Strengmann-Kuhn, Wolfgang (2022): „Bürgergeld und die Zukunft des Sozialstaats“, *Wirtschaftsdienst*, 2022, 102(2): 95-99, DOI: 10.1007/s10273-022-3108-5; accessed: 15/07/2022.
- Osterhammel, Jürgen (2020): *Die Verwandlung der Welt*. Eine Geschichte des 19. Jahrhunderts, 3. Auflage der Sonderausgabe, München: C. H. Beck.
- Patriquin, Larry (2007): *Agrarian Capitalism and Poor Relief in England, 1500–1860*. Rethinking the Origins of the Welfare State,
<https://doi.org/10.1057/9780230591387>; accessed: 19/10/2021.
- Piketty, Thomas (2020): *Kapital und Ideologie*, München: Verlag C. H. Beck.
 Daten sind abrufbar unter: - [URL: piketty.pse.ens.fr/ideology](https://piketty.pse.ens.fr/ideology)
- Piven, Frances F./ Cloward, Richard A. (1977): *Regulierung der Armut*. Frankfurt/M.: Suhrkamp-Verlag.
- Polanyi, Karl ([1944] 2001): *The Great Transformation*. The Political and Economic Origins of Our Time. Foreword by Joseph E. Stiglitz, Introduction by Fred Block. Boston: Beacon Press.
- Poynter, John R. (1969): *Society and Pauperism: English Ideas on Poor Relief, 1795-1834*. Reprinted in 2018. Toronto: University of Toronto Press.
- Preiser-Kapeller, Johannes (2021): *Der Lange Sommer und die Kleine Eiszeit*. Klima, Pandemien und der Wandel der Alten Welt von 500 bis 1500 n. Chr., Wien: Mandelbaum Verlag.
- Reinhard, Wolfgang (2006): *Lebensformen Europas*. Eine historische Kulturanthropologie. Zweite Auflage. München: Verlag H. C. Beck.
- Report (1834): *Poor Law Commissioners' Report of 1834*. Copy of the Report made in 1834 by the Commissioners for Inquiring into the Administration and Practical Operation of the Poor Laws. Presented to both Houses of Parliament by Command of His Majesty (London: Printed for H. M. Stationery Off. by

- Darling and Son, 1905). - URL: <https://oll.libertyfund.org/title/chadwick-poor-law-commissioners-report-of-1834#preview>; accessed: 06/01/2021.
- Ricardo, David ([1817] 1959): *Über die Grundsätze der politischen Ökonomie und der Besteuerung*, Berlin: Akademie-Verlag.
- Senf, Bernd (2002): *Die blinden Flecken der Ökonomie*. Wirtschaftstheorien in der Krise. 2. Aufl., München: dtv.
- Smith, Adam ([1776] 1990): *Der Wohlstand der Nationen*. Hrsg. von Horst Claus Recktenwald. 5. Aufl. 1990, München: dtv.
- Snell, Keith D. M. (1985): *Annals of the Labouring Poor: Social Change and Agrarian England, 1660–1900*. Cambridge: Cambridge University Press.
- Sokoll, Thomas (1988): „‘Alte Armut‘. Unterstützungspraxis und Formen lebenszyklischer Armut unter dem Alten Armenrecht, 1780-1834“, in: Bernd Weisbrod (Hrsg.), „*Victorian Values*“. *Arm und Reich im viktorianischen England*. Weisbrod, Bernd (ed.). Bochum: Studienverlag Dr. N. Brockmeyer: 13 - 64. Veröffentlichungen des Arbeitskreises Großbritannienforschung 7.
- (1993): *Household and Family among the poor. The case of two Essex communities in the late eighteenth and early nineteenth centuries*, Bochum: Universitätsverlag Dr. N. Brockmeyer.
- (2015): “Families, Wheat Prices and the Allowance Cycle: Poverty and Poor Relief in the Agricultural Community of Ardeley 1794-1801”, in: Peter Jones and Steven King (eds.): *Obligation, Entitlement and Dispute under the English Poor Laws*: 78-106, Newcastle upon Tyne: Cambridge Scholars Publishing.
- Somers, Margaret R. / Block, Fred (2005): “From Poverty to Perversity: Ideas, Markets, and Institutions over 200 Years of Welfare Debate”, *American Sociological Review*, 70(2): 260–287.
<https://doi.org/10.1177/000312240507000204>; accessed: 06/01/2021.
- Speizman, Milton D. (1966): *Speenhamland: An Experiment in Guaranteed Income*, *Social Service Review*, Vol. 40, No. 1, 44-55 (12 pages) online.
- Thompson, Edward P. (1971): “The Moral Economy of the English Crowd in the Eighteenth Century”, *Past & Present*, No. 50: 76–136
[doi:10.1093/past/50.1.76](https://doi.org/10.1093/past/50.1.76); accessed 06/01/2021.
- (1980): *Plebejische Kultur und moralische Ökonomie*, Aufsätze zur englischen Sozialgeschichte des 18. und 19. Jahrhunderts, Frankfurt/M., Berlin: Ullstein.

----- ([1963] 2013): *The Making of the English Working Class*. With an Introduction by Michael Kenny, London: Penguin Book.

Townsend, Joseph ([1786] 2011): *Über die Armengesetze*, Streitschrift eines Menschenfreundes, dt. Erstveröffentlichung, Berlin: Suhrkamp.

Wallerstein, Immanuel (2012): *Der Siegeszug des Imperialismus (1789-1914)*. Das moderne Weltsystem IV, Wien: Promedia-Verlag.

Webb, Beatrice und Sidney ([1906] 1963): *English Local Government: English Poor Law History*. Part II: The Last Hundred Years (1929; reprint, Hamden, CT: Archon Books, 1963).

Williams, Samantha (2004): “Malthus, Marriage and Poor Law Allowances Revisited: A Bedfordshire Case Study, 1770–1834”, *Agricultural History Review* 52: 56–82.

Wrigley, Edward A. (2008): “British population during the ‘long’ eighteenth century, 1680–1840.” In: Floud: *The Cambridge Economic History of Modern Britain, Vol. I: Industrialisation, 1700-1860*: 57-95.